

Prevent Cash Flow Interruptions with ICD-10

The Centers for Medicare & Medicaid Services (CMS) in its own impact risk assessment on the transition to ICD-10 graded cash flow interruptions as a high risk. Many organizations in the health care industry have called the implementation of ICD-10 to be the largest change to happen to the industry due to the large volume of code changes and sheer complexity of the use of diagnosis codes in payment policies, data reporting, and data representation. Physician practices that are not prepared to use ICD-10 codes in all health care-related transactions on and after October 1, 2015 risk having their claims and other transactions rejected.

Even if you are prepared for ICD-10, there may still be unanticipated problems within your system or with one of your trading partners (e.g., payers, clearinghouse, billing service) that could result in delays with claims being processed and reimbursements being sent.

In 2012 during the transition to the Version 5010 HIPAA-adopted standard transactions, many issues were encountered that resulted in physicians not receiving reimbursement for several months. These physicians struggled financially until the problems were resolved and they began to receive payments again. For this reason, it is important for practices to be prepared for unexpected cash flow interruptions.

The most important steps you can take to prevent cash flow interruptions are to ensure:

- your systems can accommodate the ICD-10 codes, which will likely require a software upgrade;
- your staff is trained, and
- your systems have been tested with your trading partners to verify that your transactions will process through their systems.

The following are additional steps you can take to support your practice's cash flow prior to and during the initial weeks after the compliance deadline.

- Establish a line of credit with a financial institution.
- Limit spending in the months prior to the compliance deadline to build up the practice's cash reserves.
- File all claims in a timely manner and follow up on any pending or rejected claims to maximize your reimbursements prior to the compliance deadline.
- If you bill Medicare, talk to your Medicare Administrative Contractor (MAC) about their advanced payment policy. Ask about the format for a request, where to send a request, timeframes for money distribution, etc.
- Talk to your payers that make up your high volume and/or high dollar claims about their plans for moving to ICD-10 and any "safety net" actions they plan to take to keep claims processing.

Despite the health care industry's best efforts to be prepared for the ICD-10 compliance deadline, there remain risks that there will be unexpected complications that will cause cash flow interruptions. Practices need to be prepared in advance of the October 1, 2015 deadline to prevent financial hardships.

Visit the AMA's website for more resources on ICD-10
www.ama-assn.org/go/ICD-10